



Monday February 27, 2023

Nigeria's GDP Grew by 3.10% in 2022

The long-anticipated 2022 full-year GDP report was released during the week. In line with the IMF (3.2%), World Bank (2.7%), and FDC (3.01%) forecasts, the economy grew by 3.1% in 2022—0.3% lower than 3.4% recorded in 2021. On a quarterly basis, the real GDP grew by 3.52% in Q4'22, down by 0.46% from 3.98% in Q4'21. Meanwhile, it rose by 1.27% from 2.25% in Q3'22. The positive growth rate can be attributed to the festive period and increased economic activities in Q4. Ultimately, Nigeria's GDP figures for 2022 show that the economy could be on a mend, despite the headwinds it faced in the year- spiraling inflation (2022's average: 18.75%), currency crises (₦740/\$ at the parallel market), escalating insecurity, restrictive monetary policy, dwindling fiscal revenue, and policy inconsistency. All these happened together with external imbalances stemming from the lingering Russian-Ukraine war.

The non-oil sector grew by 4.44%, a 0.17% increase from 4.27% in Q3'22. However, compared to the corresponding quarter in 2021, it slowed by 0.29% from 4.73%. On average, the sector grew by 4.84% in 2022 from 4.44% in 2021, while its contribution to GDP rose to 95.66% from 94.33% in Q3'22.

The oil sector continued its downward trend in 2022. The sector recorded another negative growth in 2022 (-19.22%), an improvement of 6.82% from -26.04% recorded in 2021. Quarterly, the oil sector contracted by 13.88% in Q4'22 from -22.67% in the previous quarter—also an improvement of 8.81%. However, zooming in on oil's contribution to GDP, which slowed to 5.67% in 2022 from 7.24% in 2021, and slowed to 4.34% in Q4'22 from 5.66% in Q3. We see that more needs to be done to boost oil sector growth. Oil theft, pipeline vandalisation, underinvestment, and other operational challenges persist, stifling the sector's growth. Despite its tepid and negative growth, oil contributes over 70% to Nigeria's export earnings. Out of the 46 activities tracked by the NBS, 17 expanded in Q4'22 compared to 26 in Q3'22. Some of the expanding activities include telecommunication (11.24%), agriculture (2.41%), manufacturing (2.83%), rail transport (3.81%), and air transport (18.01%). Contracting and Slowing Sectors Account for 63% of Total Activities For instance, trade slowed to 4.54% in Q4'22 from 5.08% in Q3'22, and construction declined to 3.80% in Q4'22 from 5.52% in Q3'22. Meanwhile, crude Petroleum and natural gas recorded the deepest contraction of 13.38% in Q4'22 from -22.67% in Q3'22. However, Nigeria saw its oil revenue decline by 64.3% to ₦2.19trn, and its contribution to GDP sank to 5.67% from 7.24% in 2021. The country faces the twin problems of oil theft and a lack of political will to remove oil subsidies. In 2022, oil production averaged 1.2mbpd, 28.14% below 2022's budget estimate of 1.67mbpd. Meanwhile, oil subsidies totaled more than ₦6 trillion, ten times the federal government's share of oil revenues in 2022 (₦586.7 billion). The continuing oil subsidy payment amid dwindling oil production weighed on government revenue, heightening fiscal pressures and contributing to the mounting public debt.

Outlook We expect real GDP growth to sustain its positive trend in Q1'23, albeit lower than Q4'22, on the impact of currency scarcity, political uncertainty, and geopolitical tensions. In addition, the expected decline in growth with the sharp uptick in headline inflation to 21.8% in January will be major considerations for the monetary policy committee at its next meeting in March.

Capital Market Summary.

Analysis of the market activity in the week ended February 24, 2023 shows that the Nigerian equity market closed the week on a positive note during the week under review. The NGX All Share Index and market capitalization of listed equities appreciated by 2.13% each from the opening figures of 53,804.46 and N29,310 trillion to close at 54,949.21 and N29,934 trillion respectively. Its year to date (YTD) return stands at +6.62%.

MACROECONOMIC INDICATORS

GDP Growth Rate	+3.10%	December 31. , 2022
Un-employment Rate	33.30%	December 31, 2022
Broad Money Supply (M2)	N52,966,478.08	January 24, 2023
Money Supply (M1)	N20,964,941.91	January 24, 2023
Consumer Price Index (VOY)	21.82%	January, 2023
Monetary Policy Rate (MPR)	17.50%	February 17, 2023
Cash Reserve Ratio (CRR)	32.50%	January 24, 2023
Nigeria's Bonny Light Crude Oil	US\$84.56/Bar	February 17, 2023
Nigeria's Gross External Re-serves	US\$36.78bn	February 16, 2023

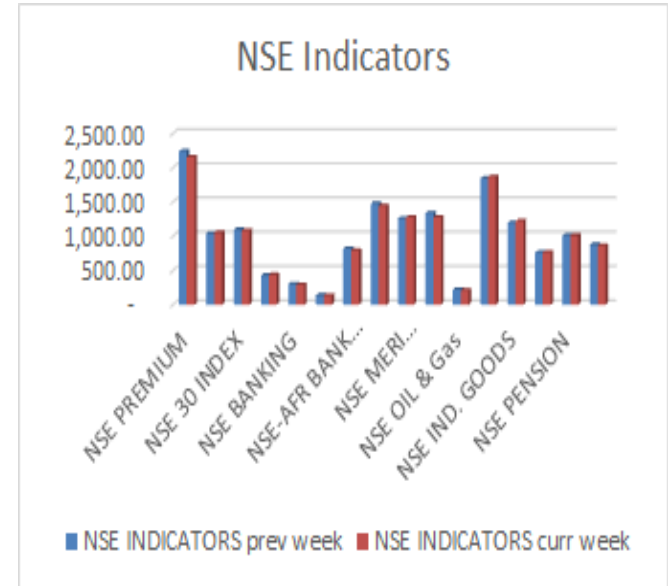
Source: Central Bank of Nigeria (CBN)

ALL SHARE INDEX & MKT. CAP



Source: Nigerian Stock Exchange (NSE) & Regency Research

PERFORMANCE OF THE NSE INDICES



Source: Nigerian Stock Exchange (NSE) & Regency Research



STOCK MARKET REPORT

Domestic Market Review

OUTLOOK AND STOCK RECOMMENDATION FOR THE WEEK

27/02/23-03/03/2023

The Nigerian bourse ended the week on a positive note as market sentiment turned positive. The NGXASI closed the week with a gain of **2.13%** as against a **0.96%** loss recorded last week. The Nigerian Exchange recorded **N394.87b** gain in naira terms. In Year-to-date, the NGXASI closed positive and close the week with a gain of **6.62%** as market capitalization settled at **N29.93trn**. The impressive end of year results released so far by some companies have started impacting positively on the market. This coupled with the current low and attractive prices have continued to move the market upward during the week. Investors have been taking position on stocks that have potentials to declare good returns to investors. In the coming week, we expect the market to continue with the positive note as we expect impressive end of year returns. We will continue to advise investors to trade only on fundamentally justified stocks as the weak macro economic environment remains a significant challenge for listed companies. In the light of the above we want to recommend the under listed stocks for purchase during the week. **UBA PLC, ACCESS BANK PLC, CADBURY, FIDELITY BANK plc, FCMB PLC, NESTLE PLC, AFRIPRUD, WAPCO and MTNN.**

RECOMMENDED STOCKS FOR THE WEEK

Stocks	Current Price	Max. entry Price N=	Target price	% Change
ACCESS	9.20	10.00	12.00	30.43
UBA	8.35	9.00	10.00	19.76
CADBURY	12.00	12.00	17.00	41.67
MTN PLC	245.50	245.00	270.00	10.20
NESTLE PLC	1,080.30	1,100	1,500	38.85
FIDELITY	5.05	5.00	6.00	18.81
FCMB	4.30	4.30	5.00	16.28
AFRIPRUD	6.30	6.30	7.00	11.11
WAPCO PLC	25.45	26.00	30.00	17.88

FINANCIAL HIGHLIGHTS OF RECOMMENDED STOCKS

Company	Result	Turnover		PAT			
		Current N=bill	Last yr N=bil	Current N=bill	Last yr N=bil	Curr EPS	Last Div. Paid
CADBURY	3RD QTER 30/09/2022	42.54	30.05	2.82	1.51	N1.49	N0.50 div. paid in 2021 FY
MTNN PLC	Audited 31/12/2022	2,021	1,654	361.53	298.65	N17.79	N15.60 total div. declared in 2022 FY.
WAPCO PLC	3RD QTER 30/09/2022	269.85	219.20	44.90	40.39	N2.79	N1.00 paid as final dividend in 2021 FY
NESTLE PLC	3RD qter 30/09/2022	333.40	261.49	40.15	33.58	N15.00	N25.00 DIV PD AS INTERIM IN 2022 FY
ACCESS BANK PLC	3RD Qter 31/09/2022	906.93	606.57	137.01	121.89	N3.85	N1.00 pd as both interim and final dividend
FCMB PLC	4TH QTER 31/12/2022	281.75	212.01	32.59	20.92	N1.64	N0.20 PD AS DIVIDEND IN 2021 FY
FIDELITY BANK PLC	4TH qter 31/12/2022	335.89	250.77	47.16	35.58	N0.35	N0.35 DIVIDEND PD IN 2021 FY
UBA PLC	3RD QTER 30/9/2022	607.98	461.86	116.04	104.60	N3.27	N1.00 Pd as Int and final div. in 2021 FY.
AFRIPRUD PLC	3RD QTER 30/9/2022	2.969	2.445	1.290	1.152	N0.64	N0.50 PD as dividend in 2021 FY

Source: Nigerian Stock Exchange (NSE) & Regency Research



STOCK MARKET REPORT

STOCK RECOMMENDED FOR TRADING

STOCKS	Mkt price	curr price	Cap. App	Bk Value	6 mths	No of Shares in	52wks	52 wks	PAT N'b	PAT N'b	EPS N=	EPS N=	Period	Div. pd	Div. Yield	NET ASSETS	Exp. Return	Exp return	Total	Total
	31/12/21	30/12/2022	%	N=	Exp Price	Issue	high	low	Current	Last year	Current	Last year		N=	%	N=bill.	cap. Appr	Div. N=	Ret. N=	Ret. %
UBA	8.05	7.60	(5.59)	24.15	9.66	34,199,421,368	8.05	7.00	41,496	38,155	1.14	1.04	qter 1	1.00	12.42	825,753,000,000	1.61	1.00	2.61	32.42
ZENITH	23.95	24.00	0.21	42.37	28.74	31,396,493,786	27.50	22.00	58,198	53,080	1.85	1.69	qter 1	3.10	12.94	1,330,397,000,000	4.79	3.10	7.89	32.94
GTCO	26.00	23.00	(11.54)	30.88	31.20	29,431,179,224	30.25	21.45	43,208	45,546	1.51	1.60	qter 1	3.00	11.54	908,758,731,000	5.20	3.00	8.20	31.54
ACCESS	9.30	8.50	(8.60)	30.84	11.16	35,545,225,622	10.00	8.00	57,399	52,549	1.63	1.49	qter 1	1.00	10.75	1,096,318,000,000	1.86	0.60	2.46	26.45
FBNH	11.40	10.90	(4.39)	21.51	13.14	35,895,292,792	12.90	7.05	32,401	15,599	0.89	0.83	qter 1	0.35	3.07	907,678,000,000	2.19	0.35	2.54	22.28
FIDELITY	2.55	4.35	70.59	10.65	3.06	28,974,797,023	4.05	2.19	9,515	9,590	0.33	0.33	qter 1	0.35	13.73	308,486,000,000	0.51	0.22	0.73	28.63
DANSUGAR	17.40	16.05	(7.76)	11.32	20.88	12,146,878,241	18.75	15.00	8,870	8,302	0.73	0.68	qter 1	1.00	5.75	137,500,909,000	3.48	1.00	4.48	25.75
NASCON	13.20	11.10	(15.91)	6.08	15.84	2,469,438,378	16.00	11.70	0.38637	0.72320	0.58	1.09	qter 1	0.40	3.03	15,017,053,000	2.64	0.40	3.04	23.03
UCAP	9.90	14.00	41.41	3.97	11.88	6,000,000,000	14.15	5.85	2,309	1,659	1.54	1.11	qter 1	1.50	15.15	23,849,201,000	1.98	1.50	3.48	35.15
AFRIPRUD	6.35	6.00	(5.51)	4.08	7.62	2,000,000,000	8.15	5.75	0.43147	0.38135	0.20	0.19	qter 1	0.50	7.87	8,164,549,000	1.27	0.50	1.77	27.87
CADBURY	8.80	11.90	35.23	8.08	10.56	1,878,202,000	17.85	7.65	1,542	0.24158	0.82	0.13	qter 1	0.50	5.68	15,177,904,000	1.76	0.50	2.26	25.68
UNILEVER	14.50	11.60	(20.00)	11.76	17.40	5,745,006,000	17.00	11.00	1,796	(0.49196)	0.31	(0.09)	qter 1	0.50	3.45	67,557,964,000	2.90	0.50	3.40	23.45
PZ	6.10	11.35	86.07	9.87	7.32	3,970,476,000	13.70	5.25	5,641	1,017	1.42	0.26	qter 3	0.25	4.10	39,204,100,000	1.22	0.50	1.72	28.20
NAHCO	3.74	6.40	71.12	4.52	4.49	1,624,218,750	7.25	2.15	0.324	0.170	0.20	0.10	qter 1	0.41	10.96	7,342,538,000	0.75	0.41	1.16	30.96
FLOUR MILL	28.35	28.40	0.18	40.40	34.02	4,100,379,605	41.45	27.50	15,592	8,161	3.85	1.84	qter 3	2.15	7.58	165,658,000,000	5.67	1.65	7.32	25.82
DANCEM	257.00	261.00	1.56	60.76	269.85	17,040,507,405	300	204	105,851	89,710	6.18	5.29	qter 1	20.00	7.78	1,035,308,000,000	12.85	20.00	32.85	12.78
LARFAGE	23.95	24.00	0.21	24.59	28.74	16,107,795,496	33.20	20.05	17,558	9,136	1.09	0.57	qter 1	2.00	8.35	396,118,753,000	4.79	2.00	6.79	28.35
GSK	5.95	6.15	3.36	7.94	7.14	1,195,878,488	8.50	5.35	0.19437	0.65881	0.16	0.55	qter 1	0.45	7.56	9,493,815,000	1.19	0.40	1.59	26.72
MAY BAKER	4.02	4.30	6.97	4.33	4.82	1,725,234,000	5.45	3.91	0.19429	1,050	0.11	0.61	qter 1	0.30	7.46	7,466,409,000	0.80	0.30	1.10	27.46
FIDSON	6.22	9.00	44.69	7.14	7.46	2,086,260,000	12.05	4.60	1,150	0.57955	0.55	0.28	qter 1	0.50	8.04	14,901,503,000	1.24	0.25	1.49	24.02
NB	50.00	41.00	(18.00)	23.26	60.00	7,996,902,051	78.50	39.90	13,614	7,660	1.69	0.96	qter 1	1.60	3.20	185,976,547,000	10.00	1.60	11.60	23.20
GUINNESS	39.00	69.30	77.69	41.12	46.80	2,190,382,000	110	28.50	15,278	1,838	6.98	0.84	qter 3	0.46	1.18	90,065,026,000	7.80	0.46	8.26	21.18
JBERGER	22.35	24.50	9.62	34.28	26.82	1,600,000,000	30.50	18.91	1,734	2,364	1.08	1.52	qter 1	2.50	11.19	54,848,326,000	4.47	0.40	4.87	21.79
VITAFOAM	22.50	20.45	(9.11)	11.61	27.00	1,250,844,064	25.00	8.70	3,613	2,487	3.20	2.17	qter 2	1.50	6.67	14,518,926,000	4.50	1.50	6.00	26.67
UACN	9.50	10.25	7.89	17.87	11.40	2,881,296,580	15.00	8.90	0.6387	0.66815	0.18	0.12	qter 1	0.65	6.84	51,477,943,000	1.90	1.20	3.10	32.63
ARDOVA	13.00	18.40	41.54	12.30	15.60	1,310,628,000	18.00	11.55	(1,649)	1,858	(1.26)	1.44	qter 4	0.19	1.46	16,124,000,000	2.60	0.19	2.79	21.46
CONOIL	22.00	26.50	20.45	32.20	26.40	693,952,117	31.50	20.00	0.55722	0.42393	0.80	0.61	qter 1	2.50	11.36	22,346,589,000	4.40	1.50	5.90	26.82
TOTAL	221.90	193.00	(13.02)	135.71	266.28	339,521,837	265	145	4,366	2,970	12.86	8.75	qter 1	18.20	8.20	46,077,873,000	44.38	6.08	50.46	22.74
ETERNA	5.05	6.69	32.48	9.97	6.06	1,304,144,000	8.80	4.86	0.87746	0.25445	0.67	0.20	qter 1	0.10	1.98	12,995,801,000	1.01	0.10	1.11	21.98
OKOMU	142.00	165.00	16.20	45.65	149.10	953,910,000	215	104	9,498	5,271	9.96	5.53	qter 1	8.00	5.63	43,550,072,000	7.10	7.00	14.10	9.93
PRESCO	87.80	137.50	56.61	42.83	92.19	1,000,000,000	200	70.00	13,775	5,030	13.78	5.03	qter 3	6.60	7.52	42,826,810,000	4.39	2.00	6.39	7.28
CUSTODIAN	7.90	5.95	(24.68)	11.27	9.48	5,881,864,195	8.45	5.85	2,186	1,329	0.35	0.24	qter 1	0.40	5.06	66,310,651,000	1.58	0.45	2.03	25.70
NEM	4.50	4.50	-	2.40	5.40	10,032,955,535	5.00	1.86	1,545	1,092	0.15	0.11	qter 1	0.22	4.89	24,048,082,000	0.90	0.09	0.99	22.00
MTN	197.00	215	9.14	17.54	236.40	20,354,513,050	270	160	96,820	73,748	4.76	3.62	qter 1	8.57	4.35	356,984,000,000	39.40	8.57	47.97	24.35
TRANSCORP	0.96	1.13	17.71	3.72	1.152	40,647,990,293	1.52	0.84	5,035	2,041	0.05	0.0179	qter 1	0.02	2.08	151,040,841,000	0.19	0.01	0.20	21.04
NGX	19.9	25.05	25.88	17.44	23.88	1,964,115,918	27.9	15.3	0.1483	0.8032	0.07	0.41	qter 1			34,262,654,000	3.98		3.98	20.00
FCMB	2.99	3.85	28.76	12.57	3.588	19,802,710,754	3.88	2.71	5,168	3,572	0.28	0.18	qter 1	0.15	5.02	248,968,936,000	0.60	0.15	0.75	25.02
LIVESTOCK	2.15	1.09	(49.30)	0.84	2.58	2,999,999,418	2.5	1.42	0.018121	0.176539	0.06	0.0588	qter 1	-	-	2,520,597,000	0.43	-	0.43	20.00
HONYWELL	3.40	2.34	(31.18)	7.34	4.08	7,930,197,858	4.45	1.1	0.0209	0.323	0.03	0.041	qter 3	0.07	2.06	58,232,000,000	0.68	0.07	0.75	22.06

WE RECOMMEND THE ABOVE STOCKS WITH THE COMPUTED TOTAL RETURN IN THE NEXT 6 MONTHS

Reasons for selection

- Strong fundamentals and consistent good dividend payment in the last five years
- The EPS are good showing that they can pay dividend they paid last year while some of them are performing better.
- The Current PAT show they are performing well and they may pay better dividend than the previous year
- The Book value are good showing that some of the stocks are underpriced, hence, there is room for capital appreciation.
- The wide variance between the 52weeks low and 52 weeks high for some of the stocks show high potential for capital appreciation
- All the stocks have good investors sentiment
- The liquidity of the recommended stocks are high, indicating easy entry and exit
- The speculative stocks may not meet all the above conditions, however, the recent performance and sound investors perception may spark capital appreciation
- Stocks selected are over 50.00% of of the total market capitalisation

Source: Nigerian Stock Exchange (NSE) & Regency Research



STOCK MARKET REPORT

Domestic Market Review

GAINERS FOR THE WEEK

Thirty six stocks appreciated in price during the week, as against Twenty Four stocks in preceding week. The top ten price gainers during the week were:

LOSERS FOR THE WEEK

Twenty seven stocks depreciated in price during the week as against Forty five stocks recorded in the preceding week. The top ten price losers during the week were:

EXCHANGE TRADED PRODUCTS (ETP)

A total of 2,898 units of Exchange Traded Products valued at N452,808.58 in 29 deals were traded during the week compared with 16,674 units of Exchange Traded Products valued at N11,982,206.72 traded last week in 44 deals.

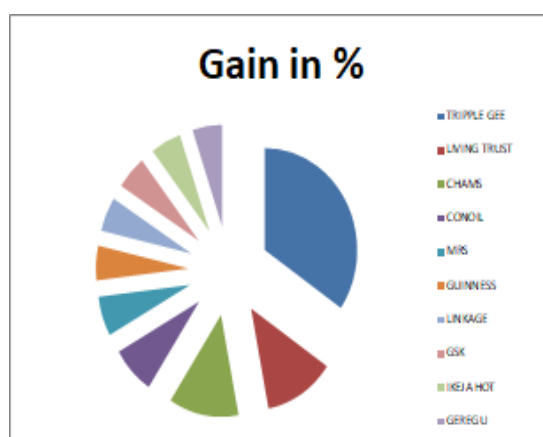
BOND MARKET

A total of 24,298 units of FG Bond valued at N25,475,147.59 in 12 deals were traded during the compared with 45,882 units of FGN Bond valued at N41,200,323.53 traded last week in 22 deals

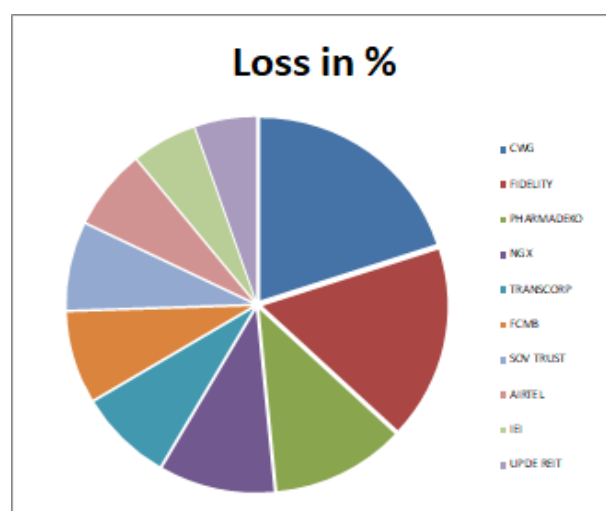
MARKET SUMMARY

	Curr. Week	Previous week	% Change
Volume	751.990 M	944.293 M	-20.36
Value N=	N20,575 B	N22,710 B	-9.40
Total Gain	36	24	50.00
Total Loss	27	45	-40.00
Deals	15.822	18.615	-15.00
All Share Index	54,949.21	53,804.46	2.13
Market Cap.	N=29,934 Trillion	N=29,310 Trillion	2.13

TOP TEN GAINERS



TOP TEN LOSERS



Source: Nigerian Stock Exchange (NSE) & Regency Research



MODEL EQUITY PORTFOLIO

PORTFOLIO VALUATION AS AT 24/02/2023												
				Unit	B-E	Current	Target price		Dividend	TOTAL	Gain/Loss	
P/Date	Stock	Units	Tcost	Cost	Price	Price	30% App	NET VALUE	Dividend	TOTAL VALUE		G/L%
1/1/2022	WAPCO	50,000	1,200,000.00	24.00	24.44	25.60	31.20	1,256,761.60		1,256,761.60	56,761.60	4.73
1/1/2022	UBA	50,000	380,000.00	7.60	7.74	8.50	9.88	417,284.13	9,000.00	426,284.13	46,284.13	12.18
1/1/2022	FIDELITY	50,000	217,500.00	4.35	4.43	5.05	5.66	247,915.86	9,000.00	256,915.86	39,415.86	18.12
1/1/2022	DANGSUGAR	50,000	802,500.00	16.05	16.35	17.20	20.87	844,386.70		844,386.70	41,886.70	5.22
1/1/2022	ZENITH	50,000	1,200,000.00	24.00	24.44	25.75	31.20	1,264,125.44	13,500.00	1,277,625.44	77,625.44	6.47
1/1/2022	UCAP PLC	50,000	700,000.00	14.00	14.26	15.45	18.20	758,475.26		758,475.26	58,475.26	8.35
1/1/2022	GTCO PLC	50,000	1,150,000.00	23.00	23.43	25.50	29.90	1,251,852.38	13,500.00	1,265,352.38	115,352.38	10.03
1/1/2022	FLOUR MILLS	50,000	1,420,000.00	28.40	28.93	32.05	36.92	1,573,406.61	96,750.00	1,670,156.61	250,156.61	17.62
1/1/2022	DANCEM	50,000	13,050,000.00	261.00	265.83	272.00	339.30	13,353,092.00		13,353,092.00	303,092.00	2.32
1/1/2022	VITAFOAM	50,000	1,022,500.00	20.45	20.83	19.40	26.59	952,389.65	68,400.00	1,020,789.65	- 1,710.35	- 0.17
			21,142,500.00					21,919,689.63		22,129,839.63	987,339.63	4.67

The Equity Portfolio Model which closed the previous week at 3.92% appreciated slightly during the week, and closed the week at 4.67% (YTD). This can be compared with NGX All Share Index which closed at 4.98% in the previous week, also appreciated during the week and closed at +6.00% {YTD}. The EPM appreciated again during the week under review but unable to over perform the All Share Index of the market. Investors are thereby advised to take into consideration selection of stocks in diversified sectors to minimize risk, good dividend paying stocks and strong fundamentals to enhance the value of the portfolio. Key. Tcost means total cost of the transactions including charges (market price*units plus charges). Unit cost is total cost per unit of the stocks. B-E Price is break-even price i.e the price the portfolio will not record any gain or loss. Target price is the price we want to sell.

Source: Nigerian Stock Exchange (NSE) & Regency Research



STOCK MARKET REPORT

MARKET DEVELOPMENTS (LAST WEEK)

Courteville Business Solutions Plc Notifies of the Mandatory Takeover Bid of 1.17bn Shares Equivalent to 32.99% Stake by Bows Nigeria Limited

You will recall that a special resolution approving the delisting the securities of the Company was passed by the Shareholders at the 17th Annual General Meeting of Courteville Business Solutions Plc (the Company) held on 26th July 2022. The investing public are hereby informed that BOWS Nigeria Limited, a Shareholder which holds 67.01% of the issued share capital of the Company, made proposal to buy the 32.99% held by the other shareholders of the Company through a Mandatory Takeover Bid (MTO) to the Securities and Exchange Commission (SEC), and the Mandatory Takeover Bid has been registered with SEC as SIS/M&A/TBR/CBS/000824 in the Commission's record. BOWS Nigeria Limited has obtained SEC's approval to launch the Mandatory Takeover and same is priced at 0.48k per ordinary share net of any applicable tax. The tender offer will open on the 22nd of February 2023 and close on 22nd March 2023.

INVESTMENT BASICS

Mutual funds and ETFs share some common features, including:

SEC-registered investment companies. Offer investors a way to pool their money in a professionally-managed fund that invests in stocks, bonds, or other assets. Can help investors achieve diversification of their investments.

Mutual funds and ETFs also differ in some important ways, including:

How they are bought and sold, intermediary (like a broker). Shares are "redeemable", meaning that investors can sell shares back to the fund. ETFs - Retail investors can buy and sell ETF shares only in market transactions (i.e., on a national stock exchange). That is, unlike mutual funds, ETFs do not sell shares directly to, or redeem their shares directly from, retail investors.

What this means for you: The way you buy and sell shares will be different depending on whether you invest in a mutual fund or ETF. While it may be possible to hold mutual fund shares directly with the fund, you will need a brokerage account to buy, sell and hold ETF shares. A broker may be able to help you buy and sell both types of funds.

How they are priced. Mutual funds - Investors buy or sell mutual fund shares at the **net asset value (NAV)** per share, minus any applicable fees and charges. NAV is calculated at the end of each trading day. ETFs - Retail investors buy and sell ETF shares at market prices, minus any applicable fees and charges. An ETF's market price may be higher or lower than the ETF's NAV per share (known as buying or selling at a premium or a discount). An ETF's market price also fluctuates during the trading day. While an ETF's market price generally stays close to the ETF's end-of-day NAV, it may vary significantly.

What this means for you: While you can submit a purchase or sale order for mutual fund shares at any point during the trading day, you will not know the exact price per share that you will pay or receive until the end of the trading day. You can buy and sell ETF shares on a national stock exchange at the prevailing market price throughout the trading day.

Certain fees and expenses, for example:

Mutual funds - Fees may be charged directly to mutual fund investors in connection with transactions such as buying, selling, or exchanging shares, or on a periodic basis with respect to account fees.

ETFs - ETFs generally do not charge fees directly to investors in connection with purchase or sales of ETF shares, but there may be other types of transaction fees and costs, such as commissions paid to a broker in connection with each purchase or sale of ETF shares. **What this means for you:** Both mutual funds and ETFs charge management fees and bear other expenses associated with their operation. You pay these indirect fees and expenses that are deducted from fund assets, but you may also pay some direct fees and expenses in different ways depending on which fund type you choose. All fees and expenses reduce the return on your investment. It is always important to consider the total fees and expenses you will be charged in connection with any investment.

Source: Nigerian Stock Exchange (NSE) & Regency Research



FIXED INCOME MARKET REPORT

Money Market.

The FAAC inflow and OMO bill maturity stimulated liquidity this week, knocking down the inter-bank rates. The Open repo rate (OPR) and Overnight rate dropped by 3870bps and 3930bps to 10.5% and 10.81% respectively

Treasury Bills.

Investors bided for higher rates at the NTB primary auction’s market during the week. The stop rates for the 91-day, 182-day, and 364-day rose to 3%, 3.24%, and 9.90% from 0.10%, 0.30%, and 2.24% at the previous auction. The Debt Management Office sold exactly the amount offered of N263.50bn as against a subscription of N296.75bn. The January inflation figure rising to 21.82% influenced the demand for higher yields from investors

Foreign Currency (EXCHANGE RATE).

For the third time in a row, the naira appreciated week-on-week at the Investor and Exporter FX fixing (I&E), settling at N461.17/US\$1 on Friday. However, at the Nigerian Autonomous Foreign Exchange (NAFEX) fixing, the naira depreciated by 2bps to N461.32/US\$1

OIL PRICE.

The Nigeria’s oil price (WTI) depreciated slightly during the week under review. According to the latest data, the oil price closed at \$74.42 per barrel during the week, compared with \$76.34 recorded in the previous week .

NIGERIAN INTER BANK OFFER RATE NIBOR

Money Market Rate

	17-Feb-23	24-Feb-23	W-o-W % Change
OPR (%)	17.13	10.50	-38.70%
O/N (%)	17.81	10.81	-39.30%

Source: Financial Markets Dealers Quotations (FMDQ)

TREASURY BILLS RATES

NTB AUCTION February 22, 2023

Nigerian Treasury Bills Auction					
Tenor	Amount offered (N'bn)	Total Subscription (N'bn)	Amount Sold (N'bn)	Stop Rate (%)	Previous rate (%)
91-days	11.68	15.53	9.96	3	0.1
182-days	10.21	17.55	10.21	3.24	0.3
364-days	241.61	263.67	243.33	9.9	2.24

MONEY MARKET RATES

Average Benchmark Yields

	17-Feb-23	24-Feb-23	W-o-W% Change
I&E FX	461.25	461.17	0.02%
NAFEX (\$/N)	461.25	461.32	0.02%

Source: FMDQ

Source: Financial Markets Dealers Quotations (FMDQ)

Disclaimer

This report was prepared, issued and approved by Regency Assets Management Limited (RAML). The report is based on information from various sources that we believe are reliable. While due care has been taken in preparing it, investors are reminded that the stock prices fluctuate based on stock market forces.

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